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Weekly Rundown

The NCHER Weekly Rundown, which includes the latest information on important events in Washington, DC, is available today and can be downloaded from the [NCHER website](#).

SCOTUS Issues Decision Denying Request to Block Borrower Defense to Repayment Settlement

Last week, the U.S. Supreme Court issued a [decision](#) denying an effort by three colleges to stay a decision reached by the U.S. District Court for the Northern District of California rejecting their request to block a \$6 billion class-action settlement over borrower

defense to repayment claims. Those institutions — Lincoln Educational Services, Everglades College, and American National University — argued that the settlement agreement was unfair, and that being included on the list of dozens of other institutions would harm their reputations. The colleges had filed an emergency application stating that the President does not have the authority to cancel large amounts of federal student loan debt under the Higher Education Act, and that loans should not be discharged under the Sweet v. Cardona settlement until the Supreme Court makes a ruling in the separate case challenging the constitutionality of the broader federal student loan forgiveness program. The federal judge overseeing the Sweet v. Cardona case and who approved the settlement agreement rejected these arguments in February, noting that relief for borrowers had already been unfairly delayed for years. The schools then appealed to the U.S. Court of Appeals for the Ninth Circuit and asked for a stay (or delay) of relief pending that appeal. When the Ninth Circuit denied that request, the colleges appealed to the Supreme Court. For further coverage, see this article from [CNBC](#).

Department of Education Announces Second Chance Pell Institutions Can Re-Up Participation in Experimental Sites Initiative

Today, the U.S. Department of Education [announced](#) in the Federal Register that postsecondary educational institutions that currently participate in the Second Chance Pell Experimental Site can apply to participate in a revised Second Chance Pell institution-based Experimental Site.

The Second Chance Pell experiment was established in 2015 and provides need-based Pell Grants to incarcerated individuals to allow them to participate in eligible postsecondary education programs. The experiment has been expanded by the Obama, Trump, and Biden Administrations to over 200 programs around the country. With the passage of the FAFSA [Free Application for Federal Student Aid] Simplification Act in 2020, Congress expanded the ability to serve confined or incarcerated individuals by reinstating Pell Grant eligibility for individuals enrolled in eligible prison education programs (PEPs) beginning July 1, 2023.

The revised Second Chance Pell Experimental Site will provide new waivers to allow current Second Chance Pell institutions to continue serving their students after July 1, 2023 while also continuing to allow the Department to learn more about the challenges that institutions face when implementing the new regulations. The Department says that

this will give participating institutions time to seek agency approval of their PEPs and avoid interrupting the educational opportunities of students currently enrolled in approved programs under the experiment.

Brookings Institution Releases Report on Return to Repayment

Last Thursday, the Brookings Institution released a new report titled, [Student Loan Pause Has Benefitted Affluent Borrowers the Most, Others May Struggle When Payments Resume](#). In the paper, University of Virginia Professor of Economics and Education Sarah Turner discusses the “unhealthy marriage” between the federal student loan forgiveness program and the payment pause, says that the federal payment pause is expensive and regressive, that many borrowers will struggle when the payment pause ends, and that proactive efforts to smooth the restart of payments are badly needed.

U.S. Department of Education News

For today’s Federal Register, click [here](#).

The following announcements were posted to Federal Student Aid’s Knowledge Center:

- [\(GENERAL-23-24\) April 2023 Update for Suggested Single Audit Procedures Related to NSLDS Enrollment Reporting](#)
- [\(GEN-23-06\) Unaccompanied Homeless Youth Determinations – Update](#)
- [Comment Request: Student Assistance General Provisions-Subpart E-Verification Student Aid Application Information](#)

General News

[The Hill](#) includes an op-ed by New Civil Liberties Alliance’s Sheng Li who writes that the current federal student loan repayment pause is just as illegal as the White House’s federal student loan forgiveness program.

[Higher Ed Dive](#) reports that the American Council on Education plans to debut a new Carnegie Classification methodology later this year, capturing a more nuanced view of

institutions' missions.

[Inside Higher Ed](#) reports that competitive colleges, many of them private institutions, have had a "great admissions year" though they will have to wait until May 1st to ensure that the gains have materialized.

[ABC News](#) reports that, while some students are skipping colleges, trade school programs are booming.

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